

20th July, 2016

Romgaz:

Completed investment project worth over RON 238 million at Sărmășel (Mureș)

- A new gas compression and dehydration installation for the Sărmășel (Mureș) underground storage is put into service by SNGN Romgaz SA.
- The investment amounting to almost a quarter billion RON shall increase the storage capacity of the storage, as well as the delivery capacity during peak consumption.
- Therefore, Romania has now a maximum storage capacity exceeding for the first time 3.3 billion Ncm/ cycle and a delivery capacity from storage of 30 Ncm/ day.
- SNGN Romgaz shall continue to invest in modernization and construction of new facilities with the aim of maintaining the quantity and quality level of natural gas production.

Today, the 20th of July 2016, **Societatea Națională de Gaze Naturale Romgaz SA** by its *Sucursala de Înmagazinare Subterană a Gazelor Naturale Ploiești* (the Ploiesti Underground Storage Branch) has put into service the new installation of the Compression and Dehydration Plant of Sărmășel (county of Mureș), an investment worth over RON 238 million (approx. EUR 54 million) that has been implemented during the last three years.

The new compression and dehydration facility of the *Sărmășel* storage will allow the increase of the UGS storage capacity from 800 million Ncm (normal cubic meters) to 950 million Ncm, enhancement of gas quality to be delivered, as well as the increase of the gas delivery capacity from 6 to 9 million Ncm/ day.

The increase of the storage capacity is mainly due to a new installed compression capacity that will ensure a maximum flow rate of 6 million Ncm/ day. The compression and dehydration plant is equipped with state-of-the-art US technology, featuring low energy consumption and complying with all European and national requirements in the field of environmental protection.

Putting into service the new *Sărmășel* facility marks a key milestone for Romania's energy security as regards the maximum storage capacity of all natural gas storages. Thus, Romania is able to store 3.3 billion Ncm/ cycle. The investment also supported the enhancement of gas withdrawal capacity to a maximum flow rate of 30 million Ncm/ day.

Romgaz allocates more and more resources to increase the underground gas storage capacity to allow peak shaving during the cold season, as well as for enhancing the security of gas supply to customers.

About underground storage and its role in ensuring energy security

Underground storage is a vital activity in ensuring continuity of natural gas supply necessary for industrial and household consumption. Its objective is shaving of consumption peaks demanded by the market, caused by temperature variation, as well as maintaining the best operation features of the national gas transmission system.

In addition to shaving off peak gas consumption during the cold season, the underground storages play a strategic role in ensuring gas supply during extraordinary conditions (natural disasters, earthquakes or other unforeseeable events, including accidental interruption of current production or supply of import gas).

About Romgaz

S.N.G.N. ROMGAZ S.A. is the largest gas producer and the main supplier in Romania. The company is listed on the Bucharest Stock Exchange (Bursa de Valori din Bucuresti – BVB) and the London Stock Exchange (LSE). The main shareholder is the Romanian State with a 70% stake. The company has a vast experience in the field of gas exploration and production and a history that began more than 100 year ago, in 1909.

Romgaz undertakes geologic research in order to discover new gas reserves, produces methane by exploiting the reservoirs included in the company's portfolio, stores natural gas in underground storages, and performs interventions, workover and special operations at wells, and renders professional technological transportation services. In 2013, Romgaz extended its scope of work by taking over the Iernut thermoelectric power station, thus becoming also an electric power supplier.

Romgaz Press Office